



# DEPARTMENT OF HIGHER EDUCATION & WORKFORCE DEVELOPMENT

## FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

### TEACH GRANT CLOSEOUT

An [Electronic Announcement](#) was published by the USDE June 2, 2020: TEACH Grant Closeout Information for 2019-2020 Award Year. The deadline is Wednesday, Sept. 30, 2020, for closeout of the Teacher Education Assistance for College and Higher Education Grant. All school data must be received and accepted by this date, to include requesting funds in G5, for information to be included in a school's final Ending Cash Balance for the year. Schools should communicate regularly with their third party servicer to ensure closeout is completed timely. Additional instructions and important reminders are provided in the announcement.

### REPAYMENT PLANS

A [Federal Register Notice](#) was issued by the USDE June 2, 2020: Annual Updates to the Income Contingent Repayment plan formula. The income percentage factors for the ICR plan formula have been updated for the period effective from July 1, 2020 to June 30, 2021. Any borrower who enters the ICR plan or has his or her monthly payment amount recalculated under the ICR plan during that period will be subject to the adjusted formula. Additional information is provided in an attachment to this announcement.

### FORMS

On June 3, 2020, the USDE published an [Electronic Announcement](#): Final FISAP Form, Instructions, Desk Reference and Technical Reference for 2021-2022 FISAP. The 2019-2020 Fiscal Operations Report and Application to Participate for 2021-2022 has been approved. Changes to the FISAP fields and instructions are outlined in the announcement. The online FISAP will be available on the Common Origination and Disbursement website by Aug. 1, 2020.

### TECHNICAL

There were several technical updates published by the USDE in the month of June. The electronic announcement links are listed with the date of publication.

- [2021-2022 EDE Technical Reference \(Final\) – June 3, 2020](#)
- [Quarterly SAIG Message Class File Update – June 5, 2020](#)
- [Availability of Direct Loan Tools for Windows, Release 20.0 – June 8, 2020](#)
- [2020-2021 COD Technical Reference \(June 2020 Update\) – June 10, 2020](#)
- [2020-2021 COD System Peak Processing Reminders – June 12, 2020](#)



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- [2021-2022 Application Processing System Specifications for Software Developers \(June 2020 Draft\) – June 18, 2020](#)
- [Additional COD System Implementation for 2020-2021 Award Year – June 25, 2020](#)
- [Next Gen FSA – StudentAid.gov Website Enhancements Starting June 2020 – June 29, 2020](#)
- [Operational Guidance for Direct Loan Origination Fee Change Oct. 1, 2020 – June 29, 2020](#)

report ownership/control by, and contracts/gifts from, foreign sources. Institutions have a statutory reporting obligation under Section 117 of the Higher Education Act. Information is required on ownership and control by foreign sources, contracts with foreign sources and gifts from foreign sources. A new reporting system is available that institutions will use for this purpose at <https://partners.ed.gov/ForeignGifts>. Details provided in the announcement cover the following:

### FEDERAL NEED ANALYSIS

The USDE issued [a Federal Register Notice](#) June 5, 2020: Federal Need Analysis Methodology for the 2021-2022 Award Year. The criteria, data elements, calculations and tables the USDE uses in the Federal Need Analysis Methodology, to determine the Expected Family Contribution, has been updated for the 2021-2022 award year. In general, the updates are based upon increases in the Consumer Price Index. A description of the changes and charts with the updated figures are provided in the PDF version of the Federal Register.

- Which institutions are required to report and when
- What information must be reported
- How the report is submitted
- Failure to comply
- Rescission of prior guidance
- Sources of information and help

### SEQUESTER REQUIRED CHANGES

An [Electronic Announcement](#) was published by the USDE June 23, 2020: FY 21 Sequester-Required Changes to the Title IV Student Aid Programs. Information provided in this announcement include sequester required changes to loan fees in the Direct Loan Program where a first disbursement is on or after Oct. 1, 2020. Loan fees charged to borrowers for Direct Subsidized, Direct Unsubsidized and Direct Plus Loans, with a

### FOREIGN GIFTS

The USDE published an [Electronic Announcement](#) June 22, 2020: Reminder to



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first disbursement made on or after Oct. 1, 2020 and before Oct. 1, 2021, will change to the following percentages:

- Direct Subsidized 1.057%
- Direct Unsubsidized 1.057%
- Direct Plus 4.228%

Institutions may begin submitting Direct Loan origination records into the COD System, as long as the correct loan fees are provided for first disbursements on or after Oct. 1, 2020. There are also required reductions to the Iraq-Afghanistan Service Grant and TEACH Grant awards where first disbursements are on or after Oct. 1, 2020. Required reductions for the Iraq-Afghanistan Service Grant and TEACH Grant awards, for first disbursements on or after Oct. 1, 2020 and before Oct. 1, 2021, are listed below:

- Iraq-Afghanistan Service Grants will be reduced 5.7% from the statutory award amount. The adjusted award amount is \$5,983.34.
- TEACH Grants will be reduced 5.7% from the statutory award amount. The adjusted award amount is \$3,772.00.

## CAMPUS BASED PROGRAMS

On June 26, 2020, the USDE published an [Electronic Announcement](#): Notification of Campus-Based Funding for the 2020-2021 Award Year. The [report](#) reflecting approved awards for the Federal Work-Study and Federal Supplemental Educational Opportunity Grant programs has been posted for the 2020-2021 Award Year and is available in PDF and Excel formats in the attachments. States and territories are listed in the report in alphabetical order. For quick access to the state of interest, use the interactive table of contents. Schools that became eligible for awards after the reports were produced will not be reflected in this notification.

The USDE published an [Electronic Announcement](#) June 29, 2020: Title IV Institutional Survey – Web Survey to Begin June 29, 2020. A web survey was sent to institutions to assess how well Federal Student Aid and the U.S. Department of Education provide resources that assist institutions in administering Title IV programs. The survey will close July 31, 2020.